

## The Value of America's Southeast Asian Alliances

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My name is Walter Lohman. I am director of the Asian Studies Center at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Thank you for having me here today as part of such a distinguished panel of experts, Mr. Chairman. Consistent evaluation of capability and performance of American alliances across the range of American interests in Asia is an ongoing critical oversight need. I'm very pleased to see the Subcommittee so interested in it. I'm also pleased that you would single out Southeast Asia for consideration in this regard. American allies in the Philippines and Thailand cannot be taken for granted. Indeed, they are highly valued partners in the service of our many shared national interests.

Another critical security partner in the region is Australia. I'm not going to address it in detail today, as it is beyond the scope of my instructions, but I do think it is important to acknowledge the tremendous value in the US-Australia alliance. In many ways, it is the closest alliance we have in the Pacific – in terms of intelligence sharing, defense cooperation (Australians are even integrated into our armed services chains of command), and commitment to out of area operations. I am not the first person at this witness table and will not be the last to remind members that Australia has fought by the side of the U.S. in every major conflict of the last 100 years. In the Pacific, Australia officials are rarely shy to identify with the United States and to state publicly our mutual interests, whether it is in the East China Sea and South China Sea or Taiwan.

There are other critical partners in Southeast Asia which stop short of formal alliances, like Singapore, but I will restrict my comments today to the Philippines and Thailand. After all, as much as the U.S. values the contributions of all its security partners, there is something special about those that have signed on the dotted line.

### The real geopolitical struggle

First, a step back. There is a caricature of geopolitics often reflected in the media headlines that pits the U.S. against China in a sort of great game reminiscent of 19<sup>th</sup>

century Europe. It is a convenient mental map, but this is not the way the world works today. It is deficient mainly because it fails to account for the full impact of economic globalization. Access to international finance, trade and investment is what pulled China out of poverty and chaos. Globalization is what facilitated the development of Asia's "tiger" economies in Singapore, Taiwan, Hong Kong, and South Korea. And its allure is what has teed up the next round candidates seeking to break through the middle income trap in Vietnam, Malaysia, Philippines, Thailand, and Indonesia.

Formal economic integration is taking place throughout the Asia Pacific region under mechanisms like the ASEAN Free Trade Area (AFTA) and ASEAN Economic Community (AEC), the roughly 40 regional free trade agreements already complete, and the Regional Comprehensive Economic Partnership (RCEP) being negotiated by ASEAN, China, and five other regional powers. Globalization is what is powering the Transpacific Partnership (TPP) and the vision for a Free Trade Area of the Asia Pacific (FTAAP) that the U.S. has advocated for many years going back to the Bush Administration. It is the extent of economic liberalization embodied in these agreements, not political alignment for or against the U.S. that will determine their success – and I should say, in the case of TPP, what will recommend its passage in Congress.

Seen in this light, it is not the rise of China that is the defining development of the current era; it is globalization. Modern China is a byproduct of globalization, and it requires, like all the countries of the region, expanding global markets and liberal reforms at home to allow it to continue to grow and prosper. A great game in Asia could not be effectuated without targeting these economic sources of China's power. And no one, not the United States, not Thailand, the Philippines, Australia or Singapore, not even Taiwan, has any interest in doing this. If not for any other reason, because going after China's connections to the international economy would hurt all of them as well. The international economy today is a commons, not dissimilar to air, sea and space. We all have an interest in refraining from doing it damage.

So 21<sup>st</sup> century Asia is not 19<sup>th</sup> century Europe. What then is the geopolitical game at play in the Asia Pacific region? It is the pursuit of a liberal international order, characterized by such things as freedom of navigation and overflight, free commerce, the promotion of political liberty, and peace and security. China is welcome to be part of this order. It is directed at China only to the extent that China appears to be interested in overturning it. Territorial disputes in particular give many in the region, including the U.S., precisely the impression that China instead favors an order that prioritizes its own very narrowly drawn national interests over the set of enlightened national interests that has long animated American alliances.

The U.S. aim is far more complex than simply “balancing” against China. Its interest is in pushing back on Chinese challenges to the regional order while at the same time seeking to incorporate China into it. U.S. alliances with the Philippines and Thailand represent two distinct strands of the endeavor. The Philippines is instrumental in managing the downside risk, pushing back on Chinese efforts to overturn it; Thailand’s value lies in its potential for helping maximize the order’s upside.

### The South China Sea and the US-Philippines Alliance

Today, the Philippines is at the forefront of the contest for freedom of the seas and what exactly it means in the Pacific. For the U.S., freedom of the seas is defined by customary international law. For the Philippines, it is defined in the same terms by its ratification of the International Convention on the Law of the Sea (UNCLOS) in 1984.

Of course, the Philippines is motivated in the current context by its dispute with China over claims in the South China Sea, not principally freedom of the seas. However, its decision last year to formally press its case through arbitration under UNCLOS is the most positive development in the dispute over the last 20 years and will have a major effect on this broader American interest. This is because, practically speaking, whatever their respective motivations, the allies are united in contesting China’s claims to the vast expanse of the South China Sea.

If the arbitral panel hearing the case decides to move forward, which should be expected, it will look at what rights China can claim in the South China Sea and on what basis, and specifically whether its nine-dash map has any standing in international law.<sup>1</sup> It is not addressing any matter of sovereignty.

If the panel finds in favor of the Philippines on the underlying case and invalidates the basis of China’s claims to “historic rights” that reside outside the treaty, UNCLOS, that China has signed and ratified, China will come under much greater international pressure to redefine its claims. It will not be required to repudiate them, only to restrict them to land features and the maritime entitlements that legally derive from those land claims. In short, the arbitration panel will be saying China cannot claim, as it does today, 90% of the South China Sea and all that is below and above its surface.

With China’s claims defined in the same terms as the other parties, there will be greater opportunity for the parties to the dispute to move forward with joint development – something that most leaders in the region recognize as a key part of any long-term

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<sup>1</sup> <http://cnnphilippines.com/news/2015/07/08/full-text-the-hague-arbitral-tribunal-plea-dfa-secretary-albert-del-rosario.html>

solution. In his South China Sea Peace Initiative, for example, Taiwan President Ma Ying-jeou has formulated the basis for joint development as an understanding that “although sovereignty cannot be divided, resources can still be shared.”<sup>2</sup> It is an eminently reasonable suggestion and will be made more feasible if the parties can agree to define all their claims according to the principle that “land dominates the sea.” Previous attempts at joint development like the ill-fated mid-2000s effort among the China, Vietnam and Philippines to conduct a joint seismic study foundered on the very ambiguities the Philippines looks to clarify in its case.

There is, of course, the distinct possibility that whatever the panel decides and the states in the region do in response, the Chinese will simply ignore them, and continue to press their extraordinary claims, using the tool box they have resorted to most recently, up to and including land reclamation and fortification of man-made islands. The Chinese have not, in fact, agreed to participate in the arbitration process, so as to leave this option open to them.

The only answer to this turn of events will be to make it as costly as possible for them by defining their position as outside widely agreed upon international norms. This will not in and of itself cause Beijing to change its mind, but it will provide important context for other necessary, non-diplomatic involvement by the U.S. and its allies, the deployment of air and naval assets; the tempo, reach and substance of military exercises; arms sales to allies and partners in the region; and freedom of navigation operations, i.e. operations designed specifically to demonstrate freedom of the seas.

The US-Philippines alliance has important application to this non-diplomatic scenario. The U.S. military and Armed Forces of the Philippines are very close. They conduct multiple joint exercises a year, including CARAT (Cooperation Afloat Readiness and training) naval exercises of the sort being carried out with Singapore this week, Amphibious Landing Exercises (PHIBLEX) and the multiservice Balikatan exercises. The 2015 Balikatan exercises were, in fact, the largest in 15 years, “involving more than 6,600 U.S. forces, 5,000 Philippine personnel and also 61 Australian troops.”<sup>3</sup> The U.S. has since 1999 been intensively involved in helping the Philippines reform its military and meet its expansive defense needs, through consultation, training and the direct provision of equipment. Last year, the U.S. and the Philippines finalized the 10- year Enhanced Defense Cooperation Agreement (EDCA) in order to give the U.S. greater access to Philippine military facilities on a rotational, non-permanent basis. (EDCA’s implementation is currently pending, subject to a finding of the Philippines Supreme Court.)

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<sup>2</sup> <http://www.wsj.com/articles/a-plan-for-peace-in-the-south-china-sea-1434040267>

<sup>3</sup> <http://www.wsj.com/articles/u-s-philippines-add-muscle-to-military-drills-1429511920>

## US-Thailand Alliance

If the U.S. and the Philippines have found specific mutual interest and common strategic cause in the South China Sea, the US-Thai alliance today lacks such a stark motivation. Far removed physically from the dispute in the South China Sea, the cost-benefit calculation in the Thailand-China relationship is much more positive. As a result, the utility of the US-Thai alliance lies in maximizing its potential benefits to the current order. The greatest challenge the alliance faces in this regard is not external, but internal.

The US-Thai alliance has been home to a remarkable amount of mutually beneficial cooperation, such as in counterterrorism, military logistics, and military-to-military interaction. The U.S. and Thailand carry out 40-50 joint military exercises a year. Chief among them are CARAT naval exercises, Cope Tiger air forces exercises, and the long-standing multinational, multi-service Cobra Gold exercises. All of this activity leads to real cooperation in time of need, including intelligence cooperation on terrorist threats, critical disaster relief missions, such as followed the 2004 Indian Ocean Tsunami and the 2008 Cyclone Nargis in Burma. Thailand also partnered with the U.S. during the conflicts in Iraq and Afghanistan and has allowed the U.S. to use U-Tapao Air Base and Sattahip Naval Base for a number of military logistics purposes.

Further to the upside value of the security alliance, and specifically with regard to China, Cobra Gold has of late been used as a venue for engaging the Chinese military. Since 2008, the Thai-hosted exercise has included China as an observer. For the last two years, China has been designated “observer-plus” which allows it to participate in the humanitarian assistance elements of the exercises. As long as it is consistent with the prudent restrictions on US-China military-to-military contact first enacted as part of the FY2000 National Defense Authorization Act, this sort of contact is a positive development. If the US and China can safely cooperate on only one thing in the region militarily, it ought to be humanitarian assistance and disaster response.

Today, the real work of the US-Thai alliance is threatened by political developments. A coup last year in Thailand following months of political unrest upended US-Thai relations. The U.S. has been critical of the military-led government and insistent on a return to democracy – something the Thais government seems in no rush to do. In the meantime, it has had to shut off grant assistance to the Thai military – most importantly, International Military Education and Training (IMET). It has also curtailed contact with the Thai military, revising the purpose and interaction of training exercises – many of which, it should be noted benefit the U.S. military as much as the Thais.

This is a familiar problem for the U.S. There was a similar development in 2006. Coups are endemic to the Thai political system, and the U.S. must express its opposition when they occur. But the U.S. response to them need not be categorical. It is all about achieving balance in our approach. The break in 2006 was uncomfortable for the alliance, but managed very expertly, largely due to the experience and skill of our Ambassador there Ralph “Skip” Boyce. Valuable contact was maintained and public hectoring minimized even as military assistance was suspended as required by law. There are a number of variables involved that made return to democracy easier, but return it did, and the alliance maintained the basis for moving forward again. In 2012, US-Thai relations reached a peak with the conclusion of a Joint Vision Statement updating the terms of the alliance.

It is not clear that the alliance will emerge from the current crisis with the same prospects for recovery. In fact, some things, like Thailand’s planned purchase of Chinese submarines could permanently inhibit the carrying capacity of the alliance.

#### Recommendations for U.S. Policy

The Philippines and Thailand are critical pillars of America’s historic mission in the Asia Pacific. America’s alliances with them offer distinctive, yet complementary, paths to achieving it. As a result, they merit a different set of policy priorities.

With respect to the Philippines, the U.S. should

- Prioritize the effort to help make the Philippines a more fully capable security partner in promoting our mutual interests in the South China Sea.
- Double FMF for the Philippines, to supplement its already (by historical Philippine standards) major budgetary commitment to its territorial defense.
- Consider, as necessary, escorting resupply of Philippine occupied land features, and the deployment the US Coast Guard to do joint patrols with the Philippine coast guard.
- Change its position on application of the US-Philippines security treaty to cover features currently occupied by the Philippines and under its “jurisdiction.”

With respect to Thailand, the U.S. should

- Continue its full complement of joint military exercises with as little adjustment as necessary.

- Make clear its interest in a rapid return to democracy, but in more private settings befitting a relationship of such long standing mutual interest and sacrifice.
- Prepare to hit the ground running with resumption of full military-to-military contact, to include a doubling of IMET assistance, and high level political dialogue at such time as Thailand returns to democratic rule.
- Send an Ambassador to fill the vacant post in Bangkok.

### Conclusion

There is a geopolitical struggle at play in the Asia Pacific to sustain an order characterized by freedom of navigation and overflight, free commerce, the promotion of political liberty, and peace and security. America's Southeast Asian allies, no less than Japan, Korea, and Australia, are a critical part of that historic mission. The U.S. should find ways to help maximize their contributions.

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